

JUN 20 2005

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FEDERAL ELECTION
COMMISSION
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FEDERAL ELECTION COMMISSION

2005 JUN 20 A 9 45
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SENSITIVE

In the Matter of)
)
Dale Schultz)
Dale Schultz for Congress and)
Joseph J. Hasler,)
in his official capacity as treasurer)
Friends and Neighbors of Dale Schultz and)
Dennis Hamilton,)
in his official capacity as treasurer)

GENERAL COUNSEL'S REPORT #2

I. ACTIONS RECOMMENDED

Accept the attached signed conciliation agreement and close the file.

II. DISCUSSION

In this matter, a Federal candidate's state senate campaign committee reimbursed the candidate and Benjamin Lewis, a campaign staff person, for expenses incurred in connection with the candidate's Federal campaign, in violation of 2 U.S.C. § 441i(e)(1)(A). The total amount of the reimbursements came to slightly more than \$4,800.

In response to the complaint, respondents asserted that the Federal committee had indirectly repaid the state senate committee by cutting its own reimbursement checks to the candidate and the staff member, which they endorsed to the state senate committee. However, the respondents provided no documentation to sustain this assertion.

The Commission found reason to believe that the respondents violated 2 U.S.C. § 441i(e),
Because
respondents had not documented their claim of repayment, we treated the transaction as if it were
an unrefunded in-kind contribution.

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III. RECOMMENDATIONS

1. Accept the attached signed conciliation agreement with Dale Schultz, Friends and Neighbors of Dale Schultz and Dennis Hamilton, in his official capacity as treasurer, and Dale Schultz for Congress and Joseph J. Hasler, in his official capacity as treasurer.
2. Close the file.

3. Approve the appropriate letters.

Lawrence H. Norton
General Counsel

Date

6/17/05

BY

Lawrence L. Calver Jr.
Deputy Associate General Counsel
for Enforcement

Susan L. Lebeaux
Assistant General Counsel

Roy Q. Luckett
Attorney

Attachments:

1. Conciliation Agreement
2. Letter from Richard J. Lewandowski to Roy Q. Luckett, dated March 2, 2005

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